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July 20, 2018

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2017-00044
Southern Water and Sewer District

Dear Ms. Pinson:

Pursuant to Ordering paragraph 2 of the Commission's May 2, 2017 Order, the Joint Applicants, Southern Water and Sewer District ("District") and Prestonsburg City's Utility Commission ("PCUC"), hereby notify the Commission that the Closing of this transaction and the transfer of the District's Wastewater Assets to PCUC took place on June 28, 2018.

The transfer of Assets took place pursuant to the provisions of the Asset Purchase Agreement dated January 1, 2017 and in accordance with the terms and conditions set forth in the Commission's May 2, 2017 Order.

Yours truly,

STOLL KEENON OGDEN PLLC

A handwritten signature in blue ink that reads "Damon R. Talley".

Damon R. Talley

cc: Southern Water and Sewer District
Prestonsburg City's Utility Commission
DRT:vl

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

A handwritten signature in blue ink that reads "Gwen R. Pinson".

EFFECTIVE

6/28/2018

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. _____

SOUTHERN WATER & SEWER DISTRICT
SEWER DIVISION

245 KENTUCKY ROUTE 680
P.O. BOX 610
McDOWELL, KENTUCKY, 41647

RATES & CHARGES
AND
RULES & REGULATIONS
FOR FURNISHING
SEWER SERVICE

IN
SOUTHERN FLOYD COUNTY AND EASTERN KNOTT COUNTY
KENTUCKY

FILED WITH THE
PUBLIC SERVICE COMMISSION
OF
KENTUCKY

DATE OF ISSUE 12/8/09
Month / Date / Year

DATE EFFECTIVE NOVEMBER 8, 2004
Month / Date / Year

ISSUED BY Paula Johnson
(Signature of Officer)

TITLE Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/8/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

CONTENTS:

- A. Monthly Rates
- B. Deposit Amount
- C. Special Non-recurring Charges
- D. Billing and Collection
- E. Non-Payment Policy
- F. Banned Substances
- G. Sewer Lines
- H. Sewer Failure
- I. Protection by Consumer
- J. Notice of Trouble
- K. Discontinuance of Service by the Utility
- L. Deposit Policy

DATE OF ISSUE 12/8/09
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DATE EFFECTIVE NOVEMBER 8, 2004
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(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00407 DATED NOVEMBER 8, 2004

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/8/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By [Signature]
Executive Director

FOR Southern Floyd & East Knott Counties, KY
Community, Town or City

P.S.C. KY. NO. 1

2nd Revised SHEET NO. 2

Southern Water & Sewer District – Sewer Division
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

1st Revised SHEET NO. 2

RATES & CHARGES

A. MONTHLY SEWER RATES:

| | | |
|---------------------|---------|-------------------|
| First 2,000 Gallons | \$28.38 | Minimum Bill |
| Over 2,000 Gallons | 9.52 | Per 1,000 Gallons |

B. DEPOSIT AMOUNT:

All Customers: \$35.00

C. SPECIAL NON-RECURRING CHARGES:

Except for the list below, all non-recurring charges are listed in the Water Division tariff.

Tap Fees:

| | |
|-------------------------------|------------|
| New Customers on gravity line | \$400.00 |
| New Customers on force main | \$2,610.00 |

DATE OF ISSUE July 25, 2013

Month / Date / Year

DATE EFFECTIVE July 12, 2013

Month / Date / Year

ISSUED BY Paula Johnson

(Signature of Officer)

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00309 DATED July 12, 2013

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

7/12/2013

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

D. BILLING AND COLLECTION

Sewer bills are based on usage collected from meters, and when applicable, will be issued with the water bills. Payment is due on the date of issuance, and must be received, not postmarked, before the close of business on the 20th day of the month. Otherwise, shall be read monthly around the middle of each calendar month and shall be completed as soon thereafter as possible. Bills will be due and payable no later than the 10th day of the following month.

In the event weather or other conditions prevent the reading of meters in a particular month, bills may be estimated for that month and any necessary adjustments made on the next monthly billing. Any bill that is estimated will be clearly marked showing that it has been estimated.

E. NON-PAYMENT

The Utility will disconnect water service for non-payment of sewer service. Any and all applicable disconnect/reconnect charges required by the District's Water Division must be paid before service can be restored

F. BANNED SUBSTANCES

No substances shall be placed into the sanitary sewer system which will create a combustible, gaseous, explosive or inflammable condition nor shall any substances or objects be placed or discharged into the system which will not dissolve and which will thus cause an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the system. No storm water or surface water drain shall be connected with the sanitary sewer system nor shall any storm or surface water be otherwise introduced into the system.

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TITLE Chairman

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**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/8/2004
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SECTION 9 (1)**

By [Signature]
Executive Director

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 4

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

G. SEWER LINES

A sewer service pipe shall not be laid in the same trench with a water pipe.

If a governmental agency requires an inspection of the customer's plumbing, the Utility shall not connect the customer's service pipe until it has received notice from the inspection agency certifying that the customer's plumbing is satisfactory. When necessary to move or relocate facilities, the cost will be paid by the party or parties requesting such relocation.

Any customers ultimately connected under this arrangement shall be charged according to the utility's current approved rates filed with the Public Service Commission.

For purposes of this provision the term "prospective customer" shall mean any person, firm or corporation which expresses an intent to become an ultimate user or customer of the utility at the time of the contribution in aid of construction is charged. A subdivider, developer or contractor is not considered a "prospective customer" for purposes of this section.

H. SEWER FAILURE

The utility is responsible for the maintenance of that portion of the service line installed by the Utility and the customer is responsible for the maintenance of that portion installed by the customer.

I. PROTECTION BY CONSUMER

The Consumer shall protect the equipment of the Utility on his premises and shall not interfere with the Utility's property or permit interference except by duly authorized representatives of the Utility.

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ISSUED BY Paula JOHNSON
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00407 DATED NOVEMBER 8, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/8/2004
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SECTION 9 (1)

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Executive Director

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

J. NOTICE OF TROUBLE

The Consumer shall give immediate notice to the Utility of any irregularities or unsatisfactory service and of any known defects.

K. DISCONTINUANCE OF SERVICE BY THE UTILITY

The Utility may refuse or terminate service for noncompliance with its tariffed rules or commission regulations after having made a reasonable effort to obtain customer compliance. Said customer will be given at least ten- (10) day's written notice prior to termination.

If a dangerous condition is found to exist service may be terminated without notice. However, the utility will notify the customer in writing and, if possible, orally of the reasons for termination or refusal of service. The notice will be recorded along with the corrective action to be taken by the customer or the utility before service is restored or provided.

The utility may terminate service for nonpayment of tariffed charges after a five- (5) day written notice of intent to terminate. Service will not be terminated before twenty (20) days after the mailing date of the original bill.

The Utility may file a complaint in court for any outstanding debt.

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TITLE Chairman

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Executive Director

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

L. Deposits.

1. Deposits to secure payment. The utility may require a minimum cash deposit or other guaranty to secure payment of bills.
2. Equal Deposits. An equal deposit amount for each class of customers will be established based on the average annual bill of customers in that class. Deposit amounts will not exceed two-twelfths (2/12) of the average annual bill of customers in each class where bills are rendered monthly.
3. Recalculation of deposits. If the utility retains the deposit for more than eighteen (18) months, it will notify customers in writing that, at the customer's request; the deposit will be recalculated every eighteen- (18) months based on actual usage of the customer. The notice of deposit recalculation will be included either on the customer's application for service or on the receipt of deposit, or may be included annually with or on customer bills. The notice of deposit recalculation will state that if the deposit on account differs by more than ten (10) dollars for residential customers, or by more than ten (10) percent for nonresidential customers, from the deposit calculated on actual usage, then the utility will refund any over-collection and may collect any underpayment. Refunds will be made either by check or by credit to the customer's bill, except that the utility will not refund any excess deposit if the customer's bill is delinquent at the time of recalculation.
4. Waiver of Deposits. The deposit may be waived upon a customer's showing of satisfactory credit or payment history. In determining whether a deposit will be required or waived, the following criteria will be considered:
 - a) Previous payment history with the utility. If the customer has no previous history with the utility, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
 - b) Whether the customer has an established income or line of credit.
 - c) Length of time the customer has resided or been located in the area.

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Executive Director

FOR Southern Floyd & Eastern Knott Counties
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 7

Southern Water & Sewer District -- Sewer Division
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

- d) Whether the customer owns the property to be served.
 - e) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.
5. Additional deposit requirement. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, the utility may require that a deposit be made. The utility may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage.
 6. Receipt of deposit. The utility will issue a receipt to every customer that pays a deposit. The receipt will show the name of the customer, location of the service or customer account number, date, and amount of deposit. If the notice of recalculation described in this section is not included in the utility's application for service or mailed with customer bills, the receipt of deposit will contain the notification. If deposit amounts change, the utility will issue a new receipt of deposit to the customer.
 7. Deposits as a condition of service. Service may be refused or discontinued if payment of requested deposits is not made.
 8. Interest on deposits. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the utility will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

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